

## Message Text

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PAGE 01 STATE 048840  
ORIGIN EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05  
TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00  
FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01  
L-03 DODE-00 PA-01 PRS-01 /085 R

DRAFTED BY EUR/EE:GTBOUTIN/RN  
APPROVED BY EUR/EE:NGANDREWS  
EB/OMA:CERVIN  
-----060225 044105 /61  
R 042147Z MAR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY BUDAPEST

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E.O. 11652:N/A

TAGS:EFIN, ETRD, EEWT, HU

SUBJECT:HUNGARIAN NATIONAL BANK OFFICE IN NEW YORK?

REF: BUDAPEST 495

1. HUNGARIAN DCM KOVACS TOLD DEPARTMENT OFFICERS MARCH 4 THAT HE NOW HAD SOME DETAILS ABOUT THE HUNGARIAN NATIONAL BANK OFFICE IN NEW YORK. THE HUNGARIAN NATIONAL BANK IS CONSIDERING OPENING A REPRESENTATIVE OFFICE IN NEW YORK, WHICH WOULD EXPLORE BUSINESS POSSIBILITIES WITH US BANKS, ESTABLISH PERSONAL AND BUSINESS RELATIONSHIPS, AND PROVIDE INFORMATION SERVICES. IT WOULD NOT ENGAGE IN DIRECT NEGOTIATION OR BANKING TRANSACTIONS. THE OFFICE WOULD CONDUCT THE SAME ACTIVITIES IN CANADA. IT WOULD HAVE THREE EMPLOYEES; THE HUNGARIAN REPRESENTATIVE, AN OFFICE CLERK, (ALSO FROM HUNGARY) AND A US SECRETARY.

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2. THE HUNGARIANS WILL NEED PERMISSION FROM THE NEW YORK STATE BANKING DEPARTMENT (NYSBD) BEFORE THE OFFICE CAN BE OPENED, BUT DO NOT NEED PERMISSION FROM ANY FEDERAL AGENCY. NYSBD TOLD THE DEPARTMENT THAT HUNGARY COULD NOT OPEN A BRANCH IN NEW YORK UNLESS US BANKS ARE PERMITTED TO DO THE SAME IN HUNGARY. HUNGARY CAN APPLY FOR AN

AGENCY LICENSE OR FOR A CHARTER FOR A WHOLLY-OWNED

SUBSIDIARY NEITHER OF WHICH IS ALLOWED TO ACCEPT DEPOSITS.  
OUR INITIAL IMPRESSION IS THAT EITHER THE AGENCY LICENSE  
OR CHARTER WOULD PERMIT THE HUNGARIANS TO CARRY OUT THE  
FUNCTIONS OUTLINED BY KOVACS.

3. WE SUGGESTED THAT THE HUNGARIAN EMBASSY GET IN TOUCH  
DIRECTLY WITH THE NYSBD.  
CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ESTABLISHMENT OF OFFICES, BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE048840  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** GTBOUTIN/RN  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Litigation Codes:**  
**Litigation History:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Handling Restrictions:** n/a  
**Reference:** 77 BUDAPEST 495  
**Retention:** 0  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**Subject:** HUNGARIAN NATIONAL BANK OFFICE IN NEW YORK?  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009